

LBNL – PROCUREMENT STANDARD PRACTICES

Section: 8 Required Sources of Supply
Subject: 8.4 Orders With DOE Contractors

PURPOSE: This standard practice (SP) describes the requirements for DOE contractor orders.

POLICY: The Laboratory may obtain goods or services from DOE contractors only when the criteria contained in this SP are satisfied.

SCOPE: This SP applies to all DOE contractor orders.

Exception

This SP does not apply to:

- Intra-university transactions (IUTs) with the campuses of the University of California (see SP 44.1, *Intra-University Transactions*); and
- Orders for goods or services available from DOE contractors under standard subcontract terms and conditions.

DEFINITIONS:

DOE Contractor

A DOE contractor is a contractor who has a management and operating (M&O), facilities management, site integrating, or other major contract with DOE.

DOE Contractor Order

A DOE contractor order is an order issued by the Laboratory to another DOE contractor pursuant to this SP for goods and/or services, including the services of specified personnel. A DOE contractor order is also referred to as a Memorandum Purchase Order.

Inter-Entity Work Order (IWO)

An IWO is a DOE internal instrument used for authorizing work between DOE offices and/or contractors.

PROCEDURES:

DOE Contractor Order Criteria

Goods or services may only be obtained from other DOE contractors under a DOE contractor order when the following criteria apply:

- The performing contractor has special or unique experience or equipment to perform work that is not readily available from a commercial source;
- The nature of the work to be performed is consistent with the scope of the performing contractor's Prime Contract; and
- Any effort to be subcontracted by the performing contractor must be incidental to the work to be performed. .

DOE contractor orders expected to exceed \$100,000 must be adequately documented to support that the proposed action meets the criteria described above.

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Requests for DOE Contractor Orders

Requests for DOE contractor orders must be submitted to Procurement on a purchase requisition. The requests must include:

- A description of the required work;
- A justification to support the need to obtain the goods or services from the DOE contractor;
- A copy of the DOE contractor's cost estimate or proposal; and
- The requester's technical review of the DOE contractor's cost estimate or proposal.

DOE Contract Identification and Verification

The procurement specialist shall identify and verify the DOE contractor's contract before issuing a DOE contractor order.

A searchable database list of active DOE M&O contracts and major facilities management contracts is available on the DOE Procurement and Assistance Data System (PADS) website:

<http://professionals.pr.doe.gov/ma5/MA-5web.nsf/WebPages/PADS?OpenDocument>

Terms of DOE Contractor Orders

Because DOE contractor orders are performed under the performing contractor's DOE contract, the Laboratory's standard terms and conditions are not to be applied. However, all orders must contain the following elements:

- A scope of work, including a statement of work, purchase description, and/or specification;
- The period of performance;
- The estimated cost or price;
- The invoice and payment terms;
- A listing of all government-furnished property, if any;
- Special provisions pertaining to travel and performance at locations other than the contractor's facilities, if any; and
- The names and addresses of the Laboratory's procurement specialist and the technical liaison.

To reduce the administrative cost of issuing repetitive orders, a blanket orders may be issued to DOE contractors, when appropriate. All blanket orders must be renewed annually.

Payment Terms

Payments under DOE contractor orders shall be for costs incurred in providing the equipment, materials, and/or services, consistent with the rates/prices charged under the Contractor's DOE contract and shall be made in response to invoices.

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Dual Compensation An individual working under a DOE contractor order in a consultant or other comparable capacity may not receive additional compensation under the DOE contractor order if the individual is working full-time on an annual basis for another DOE cost-type contractor. Such compensation is unallowable under the Prime Contract. (See SP 37.1, *Consultants and Personal Services*)

DOE Contractor Orders Over \$1 Million DOE contractor orders with an estimated cost exceeding \$1 million require DOE approval and execution of an IWO by the Laboratory's DOE contracting officer for the authorizing organization, and the DOE contracting officer for the performing organization. The procurement specialist shall prepare and submit the IWO form, along with the DOE contractor order, to the Laboratory's DOE contracting officer.

Administration SP 42.1, *Subcontract Administration--General*, should be used for general guidance in administering contracts with DOE contractor orders.

REVIEW/APPROVAL:

DOE DOE approval must be obtained for all DOE contractor orders exceeding \$1 million.

RESPONSIBILITIES:

Procurement Specialist The procurement specialist shall:

- Adequately document all DOE contractor orders exceeding \$100,000 to support that the proposed action meets the criteria described in PROCEDURES, *DOE Contractor Order Criteria*, above;
- Ensure that requests for DOE contractor orders are adequately justified;
- Identify and verify the DOE contractors' contracts;
- Ensure that all DOE contractor orders contain the elements described in PROCEDURES, *Terms of DOE Contractor Orders*;
- Establish that the cost/price is fair and reasonable;
- Determine that individuals working under the DOE contractor order in a consultant or other comparable capacity will not receive dual compensation; and
- Obtain DOE approval for all DOE contractor orders expected to exceed \$1 million.

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Requester	The requester must submit a request to Procurement for a DOE contractor order that contains all required information described in PROCEDURES, <i>Requests for DOE Contractor Orders</i> .
References	DOE Accounting Handbook, Chapter 12, Inter-Entity Transactions. DOE Acquisition Guide, Subchapter 70.10 Inter-Contractor Purchases